



**U.S. Department of Justice  
U.S. Attorney's Office  
Western District of Texas**

**Johnny Sutton, U.S. Attorney**

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**FOR IMMEDIATE RELEASE**

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**ODESSA ATTORNEY PLEADS GUILTY IN FEDERAL COURT**

**United States Attorney Johnny Sutton** announced today that 44-year-old Stephen C. Ashley of Odessa, Texas, faces up to eight years in federal prison and a \$250,000 fine after pleading guilty this morning to filing a false United States Estate Tax Return and unlawfully conspiring with other individuals to defraud the Internal Revenue Service in its efforts to collect estate taxes.

Stephen Ashley was the executor of his father's estate and assumed responsibility for filing all pertinent tax documents with the Internal Revenue Service concerning the estate's affairs. By pleading guilty, Stephen Ashley admitted that during the preparation of the tax return of his father's estate he directed his secretary to type four (4) backdated Gift Deeds falsely reflecting that his father, Connell D. Ashley, had deeded a certain portion of a ranch he owned to his sons in 1989, 1990, 1991, and 1992, when in fact his father had not truly begun to deed portions of the ranch to him and his brothers until 1993. He also had his father's former secretary forge his signature on the false deeds and had false notary records created.

Thereafter, in 2002, the Internal Revenue Service began an audit of the estate return, and requested documentation to support some of the claimed deductions and expenses. In October 2002, Stephen Ashley had his certified public accountant submit to the Internal Revenue Service copies of the four fraudulent gift deeds, as well as a fraudulent "maintenance contract," as proof of the return's accuracy. Further, Stephen Ashley admitted lying to the IRS about the fraudulent deeds and later directing his secretary to lie to IRS agents investigating the case.

This case was investigated by the United States Internal Revenue Service, Criminal Investigation Division. Assistant United States Attorney John Klassen is prosecuting this case on behalf of the Government.

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